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## Thailand

### Grain and Feed

### Weekly Rice Price Update

**2008**

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**Report Highlights:**

Export and domestic prices increased by 2-3 percent as the intervention program will be fully implemented this week. Intervention prices are approximately 30 percent higher than market prices. Meanwhile, export prices are under downward pressure as the Government is releasing old-crop intervention stock for export. Also, foreign buyers presently shift to relatively cheaper Vietnamese rice.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Bangkok [TH1]  
[TH]

**Indicative Prices (Week Ending Jul. 7):**

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	930	-	-	-	900	880	-	903	920
WR 100 B	745	-	745	-	760	760	740	750	730
PB 5%	-	-	785	-	760	810	780	784	770
WR 5%	710	-	715	-	700	740	720	717	702
WR 10%	-	-	-	-	-	-	-	-	-
WR 15%	-	-	-	-	-	-	-	-	-
WR 25%	-	-	-	-	-	-	-	-	-
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	550	-	-	-	550	-	550	550	580
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 33.5 baht/U.S.\$									

**Market Tone**

Export and domestic prices increased by around 2-3 percent from the previous week as 2007/08 second-crop intervention program (June 15 – September 30, 2008) will be fully implemented this week. So far, the Government bought around 350,000 tons of paddy, up significantly from 2007/08 main-crop intervention program which bought only 239,481 tons of paddy, of which 59,211 tons are white rice paddy. There are around 320 millers participating in the program. Most of them are in the lower north and the central plain which are the large growing areas for second crops. They are reportedly fully processing rice milling for delivery to government warehouses. The program becomes more attractive as the intervention prices are approximately 30 percent higher than market prices.

Meanwhile, exporters expect prices to level off as the Government is making a decision to release one million tons of old-crop intervention stocks for export to China this week. In addition, Thai rice exporters are reportedly losing white rice market to Vietnamese rice which is currently \$60-90/MT cheaper than Thai rice. Foreign buyers are presently shifting to Vietnamese rice. Also, they will likely shift to relatively cheaper Indian rice, particularly for parboiled rice, in the fourth quarter when the ban is expected to be lifted as its prices are reportedly much cheaper than Thai parboiled rice.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
MAY 11	137,226	132,063	3,188	1,795	77.6
MAY 18	187,581	157,555	3,375	1,902	77.4
MAY 25	174,175	158,611	3,549	2,026	75.2
JUN 1	209,946	177,232	3,759	2,134	76.1
JUN 8	192,204	190,977	3,952	2,248	75.8
JUN 15	180,467	189,198	4,132	2,385	73.3
JUN 22	159,051	132,930	4,291	2,494	72.0
JUN 29	212,103	190,391	4,503	2,579	74.5
JUL 6	168,072	179,923	4,671	2,679	74.3

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Unofficial exports (excluding fragrant rice) for Jun. 30- Jul 6, 2008 totaled 168,072 tons, down 44,031 tons from the previous week, and down 11,851 tons from the four-week moving average of 179,923 tons. Exports during Jan. 1 – Jul 6, 2008 totaled 4,671,264 tons, as compared with 2,679,469 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Jun. 30, 2008, amounted to 5,976,920 tons, up 46.69 percent from 4,074,512 tons in the previous year.

### Weekly Rice Sales

Private registered rice export sales for the period of Jun 16-20, Jun 23-27 and Jun 30-Jul 4, 2008 are as follows:

Movement (MT)	Jun 16-20	Jun 23-27	Jun 30-Jul 4
Weekly sales	180,143	195,984	104,963
4 week sum	707,828	766,586	657,615
4 week mov. avg.	176,957	191,647	164,404
Total weekly sales	4,559,247	4,755,231	4,860,194

End of Report.